



COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

2004 OCT -8 P 4: 07

THOMAS J. PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

October 7, 2004

Mr. Thomas J. Pastuszka
Clerk of the Board of Supervisors
1600 Pacific Highway, Rom 402
San Diego, CA 92101

RE: Rainbow Municipal Water District Conflict of Interest Code

Dear Mr. Pastuszka:

Enclosed please find three copies of the Conflict of Interest Code for Rainbow Municipal Water District unanimously approved at the October 6, 2004 Board meeting. Also enclosed is a copy of the signed Declaration of the General Manager.

Please note, a public hearing was not held nor were any public comments received during the 45-day period allotted in regards to this matter.

If you require additional information or have any questions regarding the enclosed, please feel free to contact me at (760) 728-1178 Ext. 129.

Sincerely,

Dawn Washburn
Executive Secretary

/dmw

**DECLARATION OF THE GENERAL MANAGER OF THE
RAINBOW MUNICIPAL WATER DISTRICT
REGARDING ADOPTION OF CONFLICT OF INTEREST CODE**

I, Gregory L. Ensminger, hereby declare:

I am the General Manager of the Rainbow Municipal Water District (the "District").

On July 15, 2004, the Board of Directors of the District considered the proposed amendment to its Conflict of Interest Code. The proposed amendment designates the officers, employees and consultants who make governmental decisions and exercise responsibility for the management of the District's investments.

The Board of Directors set October 6, 2004, for final adoption of the Conflict of Interest Code. Thereafter, notice of intent to adopt the Conflict of Interest Code was published on July 18, 2004 in a newspaper of general circulation. A notice of intent to adopt the Conflict of Interest Code was posted on July 16, 2004 on all District employee bulletin boards.

On October 6, 2004, at the time and place set forth in the notice, the Board of Directors adopted the Conflict of Interest Code and directed that it be submitted to the Fair Political Practices Commission as the code reviewing body.

Dated: 10-6-04



General Manager

RAINBOW MUNICIPAL WATER DISTRICT

THOMAS J PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

POLICY TITLE: Conflict of Interest
POLICY NUMBER: 1020

1020.10 Standard Code of FPPC The Political Reform Act of 1974 (Government Code § 81000 *et seq.*) requires each state and local government agency to adopt and promulgate a conflict of interest code. As a public agency, Rainbow Municipal Water District (the "District") is therefore required to adopt such a code. The District adopted a Conflict of Interest Code which was amended on September 22, 1994 by Resolution No. 21 and further amended on December 19, 1976 by Resolution No. 96-13. Subsequent changes and amendments to the Political Reform Act of 1974 and the regulations of the Fair Political Practices Commission by the Legislature, the Commission and the Courts have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Conflict of Interest Code. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. § 18730) which contains the terms of a model conflict of interest code, which can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

1020.20 Filing of Statements of Economic Interests Pursuant to Section 4 of the model code set forth in 2 California Code of Regulations section 18730(b), designated employees set forth in the Appendix shall file statements of economic interests (Form 700) with the Secretary of Rainbow Municipal Water District. Upon receipt of the statements of the members of the Board of Directors, the Secretary shall make and retain copies and forward the originals of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Secretary.

1020.30 Adoption of Standard Code of FPPC The terms of 2 California Code of Regulations section 18730 and any future amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference in order to amend and update the existing Conflict of Interest Code. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of Rainbow Municipal Water District. This code shall take effect when approved by the Board of Supervisors for the County of San Diego, and shall thereupon supersede any and all prior codes adopted by Rainbow Municipal Water District.

APPROVED AND ADOPTED by the Board of Directors of the Rainbow Municipal Water District on the 15th day of July, 2004.

AYES: Directors Clemens, Cole, Craig & Bopf
NOES: None
ABSENT: None
ABSTAIN: None



Thomas H. Clemens, Board President
Rainbow Municipal Water District

ATTEST:



Dawn Washburn, Board Secretary
Rainbow Municipal Water District

Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Administrative Manager	All
Financial Manager	All
District Engineer	All
Operations & Maintenance Manager	All
¹ Consultants	All

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

Part II - Disclosure Categories

Category 1.

A designated employee in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee.

Appendix B

Statement of Duties of Employees of and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors therefore is designated.

General Manager

An employee of Rainbow Municipal Water District, the General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

Administrative Manager

An employee of Rainbow Municipal Water District, the Administrative Manager participates in the formulation of Rainbow Municipal Water District's general policies and programs in the areas of risk management, claims administration, and general office administration. He or she is therefore designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District, and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she therefore is designated.

District Engineer

The District Engineer, currently hired on a contract basis, provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations & Maintenance Manager

An employee of Rainbow Municipal Water District, the Operations and Maintenance Manager oversees the operation and maintenance of the water lines and structures. He or she plans and implements checks on the water lines and contracts out work for leak detection. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations. Therefore, designation is not required.

RAINBOW MUNICIPAL WATER DISTRICT

POLICY TITLE: Conflict of Interest
POLICY NUMBER: 1020

1020.10 Standard Code of FPPC The Political Reform Act of 1974 (Government Code § 81000 *et seq.*) requires each state and local government agency to adopt and promulgate a conflict of interest code. As a public agency, Rainbow Municipal Water District (the "District") is therefore required to adopt such a code. The District adopted a Conflict of Interest Code which was amended on September 22, 1994 by Resolution No. 21 and further amended on December 19, 1976 by Resolution No. 96-13. Subsequent changes and amendments to the Political Reform Act of 1974 and the regulations of the Fair Political Practices Commission by the Legislature, the Commission and the Courts have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Conflict of Interest Code. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. § 18730) which contains the terms of a model conflict of interest code, which can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

1020.20 Filing of Statements of Economic Interests Pursuant to Section 4 of the model code set forth in 2 California Code of Regulations section 18730(b), designated employees set forth in the Appendix shall file statements of economic interests (Form 700) with the Secretary of Rainbow Municipal Water District. Upon receipt of the statements of the members of the Board of Directors, the Secretary shall make and retain copies and forward the originals of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Secretary.

1020.30 Adoption of Standard Code of FPPC The terms of 2 California Code of Regulations section 18730 and any future amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference in order to amend and update the existing Conflict of Interest Code. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of Rainbow Municipal Water District. This code shall take effect when approved by the Board of Supervisors for the County of San Diego, and shall thereupon supersede any and all prior codes adopted by Rainbow Municipal Water District.

APPROVED AND ADOPTED by the Board of Directors of the Rainbow Municipal Water District on the 15th day of July, 2004.

AYES: Directors Clemens, Cole, Craig & Bopf
NOES: None
ABSENT: None
ABSTAIN: None



Thomas H. Clemens, Board President
Rainbow Municipal Water District

ATTEST:



Dawn Washburn, Board Secretary
Rainbow Municipal Water District

Appendix A

Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Administrative Manager	All
Financial Manager	All
District Engineer	All
Operations & Maintenance Manager	All
¹ Consultants	All

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

Part II - Disclosure Categories

Category 1.

A designated employee in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee.

Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors therefore is designated.

General Manager

An employee of Rainbow Municipal Water District, the General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

Administrative Manager

An employee of Rainbow Municipal Water District, the Administrative Manager participates in the formulation of Rainbow Municipal Water District's general policies and programs in the areas of risk management, claims administration, and general office administration. He or she is therefore designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District, and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she therefore is designated.

District Engineer

The District Engineer, currently hired on a contract basis, provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations & Maintenance Manager

An employee of Rainbow Municipal Water District, the Operations and Maintenance Manager oversees the operation and maintenance of the water lines and structures. He or she plans and implements checks on the water lines and contracts out work for leak detection. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations. Therefore, designation is not required.

RAINBOW MUNICIPAL WATER DISTRICT

POLICY TITLE: Conflict of Interest
POLICY NUMBER: 1020

1020.10 Standard Code of FPPC The Political Reform Act of 1974 (Government Code § 81000 *et seq.*) requires each state and local government agency to adopt and promulgate a conflict of interest code. As a public agency, Rainbow Municipal Water District (the "District") is therefore required to adopt such a code. The District adopted a Conflict of Interest Code which was amended on September 22, 1994 by Resolution No. 21 and further amended on December 19, 1976 by Resolution No. 96-13. Subsequent changes and amendments to the Political Reform Act of 1974 and the regulations of the Fair Political Practices Commission by the Legislature, the Commission and the Courts have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Conflict of Interest Code. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. § 18730) which contains the terms of a model conflict of interest code, which can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

1020.20 Filing of Statements of Economic Interests Pursuant to Section 4 of the model code set forth in 2 California Code of Regulations section 18730(b), designated employees set forth in the Appendix shall file statements of economic interests (Form 700) with the Secretary of Rainbow Municipal Water District. Upon receipt of the statements of the members of the Board of Directors, the Secretary shall make and retain copies and forward the originals of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Secretary.

1020.30 Adoption of Standard Code of FPPC The terms of 2 California Code of Regulations section 18730 and any future amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference in order to amend and update the existing Conflict of Interest Code. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of Rainbow Municipal Water District. This code shall take effect when approved by the Board of Supervisors for the County of San Diego, and shall thereupon supersede any and all prior codes adopted by Rainbow Municipal Water District.

APPROVED AND ADOPTED by the Board of Directors of the Rainbow Municipal Water District on the 15th day of July, 2004.

AYES: Directors Clemens, Cole, Craig & Bopf
NOES: None
ABSENT: None
ABSTAIN: None



Thomas H. Clemens, Board President
Rainbow Municipal Water District

ATTEST



Dawn Washburn, Board Secretary
Rainbow Municipal Water District

Appendix A

Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Administrative Manager	All
Financial Manager	All
District Engineer	All
Operations & Maintenance Manager	All
¹ Consultants	All

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

Part II - Disclosure Categories

Category 1.

A designated employee in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee.

Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors therefore is designated.

General Manager

An employee of Rainbow Municipal Water District, the General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

Administrative Manager

An employee of Rainbow Municipal Water District, the Administrative Manager participates in the formulation of Rainbow Municipal Water District's general policies and programs in the areas of risk management, claims administration, and general office administration. He or she is therefore designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District, and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she therefore is designated.

District Engineer

The District Engineer, currently hired on a contract basis, provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations & Maintenance Manager

An employee of Rainbow Municipal Water District, the Operations and Maintenance Manager oversees the operation and maintenance of the water lines and structures. He or she plans and implements checks on the water lines and contracts out work for leak detection. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations. Therefore, designation is not required.

RAINBOW MUNICIPAL WATER DISTRICT

POLICY TITLE: Conflict of Interest
POLICY NUMBER: 1020

1020.10 Standard Code of FPPC The Political Reform Act of 1974 (Government Code § 81000 *et seq.*) requires each state and local government agency to adopt and promulgate a conflict of interest code. As a public agency, Rainbow Municipal Water District (the "District") is therefore required to adopt such a code. The District adopted a Conflict of Interest Code which was amended on September 22, 1994 by Resolution No. 21 and further amended on December 19, 1976 by Resolution No. 96-13. Subsequent changes and amendments to the Political Reform Act of 1974 and the regulations of the Fair Political Practices Commission by the Legislature, the Commission and the Courts have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Conflict of Interest Code. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. § 18730) which contains the terms of a model conflict of interest code, which can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

1020.20 Filing of Statements of Economic Interests Pursuant to Section 4 of the model code set forth in 2 California Code of Regulations section 18730(b), designated employees set forth in the Appendix shall file statements of economic interests (Form 700) with the Secretary of Rainbow Municipal Water District. Upon receipt of the statements of the members of the Board of Directors, the Secretary shall make and retain copies and forward the originals of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Secretary.

1020.30 Adoption of Standard Code of FPPC The terms of 2 California Code of Regulations section 18730 and any future amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference in order to amend and update the existing Conflict of Interest Code. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of Rainbow Municipal Water District. This code shall take effect when approved by the Board of Supervisors for the County of San Diego, and shall thereupon supersede any and all prior codes adopted by Rainbow Municipal Water District.

APPROVED AND ADOPTED by the Board of Directors of the Rainbow Municipal Water District on the 15th day of July, 2004.

AYES: Directors Clemens, Cole, Craig & Bopf
NOES: None
ABSENT: None
ABSTAIN: None



Thomas H. Clemens, Board President
Rainbow Municipal Water District

ATTEST:



Dawn Washburn, Board Secretary
Rainbow Municipal Water District

Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

Part I - Designated Positions

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Administrative Manager	All
Financial Manager	All
District Engineer	All
Operations & Maintenance Manager	All
¹ Consultants	All

¹ With respect to consultants, the General Manager may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

Part II - Disclosure Categories

Category 1.

A designated employee in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow
- Construction supplies, service or equipment
- Engineering and surveying services
- Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee.

Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors therefore is designated.

General Manager

An employee of Rainbow Municipal Water District, the General Manager oversees the day-to-day operations of Rainbow Municipal Water District. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. He or she participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and therefore is designated.

Administrative Manager

An employee of Rainbow Municipal Water District, the Administrative Manager participates in the formulation of Rainbow Municipal Water District's general policies and programs in the areas of risk management, claims administration, and general office administration. He or she is therefore designated.

Financial Manager

An employee of the Rainbow Municipal Water District, the Financial Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Financial Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District, and recommends fiscal policies to the Board of Directors. The Financial Manager "manages public investments" within the meaning of applicable regulations. He or she therefore is designated.

District Engineer

The District Engineer, currently hired on a contract basis, provides engineering services and oversight to Rainbow Municipal Water District, including implementation of capital replacement projects. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations & Maintenance Manager

An employee of Rainbow Municipal Water District, the Operations and Maintenance Manager oversees the operation and maintenance of the water lines and structures. He or she plans and implements checks on the water lines and contracts out work for leak detection. He or she participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations. Therefore, designation is not required.

RESOLUTION NO. 04-29

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF RAINBOW MUNICIPAL WATER DISTRICT
AMENDING ITS CONFLICT OF INTEREST CODE**

WHEREAS, Rainbow Municipal Water District is required to adopt a Conflict of Interest Code pursuant to Government Code Section 87300; and

WHEREAS, Rainbow Municipal Water District adopted a Conflict of Interest Code which was amended on September 22, 1994, by Resolution No. 21, and further amended on December 19, 1996, by Resolution 96-13; and

WHEREAS, the Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code Regs. §18730) which is a model conflict of interest code and requires certain local agency officials, employees, and consultants to file FPPC Form 700, statement of economic interests; and

WHEREAS, the Rainbow Municipal Water District desires to amend its Conflict of Interest Code, by incorporating the FPPC Model Code, including all future amendments thereto, by reference;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Rainbow Municipal Water District:

1. A Conflict of Interest Code, in the form attached as Exhibit "A," is hereby tentatively adopted and promulgated.
2. The General Manager is hereby directed to open a 45-day public comment period to begin on July 16, 2004, by posting a Notice of Intention to Adopt a Conflict of Interest Code on the Rainbow Municipal Water District employee bulletin board or in the employee newsletter, concurrently mailing notice to the San Diego County Board of Supervisors.
3. The Conflict of Interest Code shall become effective immediately upon:
 - a. Its final approval by the Board of Directors following close of the public comment period and after a public hearing, if requested, at its meeting on October 6, 2004; and
 - b. Its approval by the San Diego County Board of Supervisors as the code-reviewing body.

4. Upon its final approval by the Board of Directors of Rainbow Municipal Water District, the General Manager is hereby directed and authorized to submit a certified copy thereof to the San Diego County Board of Supervisors for approval.


APPROVED AND ADOPTED this 15th day of July, 2004.

AYES: Directors Clemens, Cole, Craig, & Bopf
NOES: None
ABSENT: None
ABSTAIN: None



Thomas H. Clemens, Board President

ATTEST:



Dawn Washburn, Board Secretary



COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

2004 AUG -4 PM 4: 46

THOMAS J PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

August 3, 2004

Clerk of the Board of Supervisors
(COI Biennial Review)
1600 Pacific Highway, Rom 402
San Diego, CA 92101

RE: Rainbow Municipal Water District Conflict of Interest Code

To Whom It May Concern:

Enclosed please find the following documents regarding the above-referenced Code:

- 1) 2004 Local Biennial Notice;
- 2) Proof of Publication;
- 3) Rainbow Municipal Water District Conflict of Interest Code; and
- 4) Approved Resolution 04-29.

If you require additional information or have any questions regarding the enclosed, please feel free to contact me at (760) 728-1178 Ext. 129.

Sincerely,

Dawn Washburn
Executive Secretary

/dmw

**PROOF OF PUBLICATION
(2010 & 2011 C.C.P.)**

STATE OF CALIFORNIA
County of San Diego

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of

North County Times

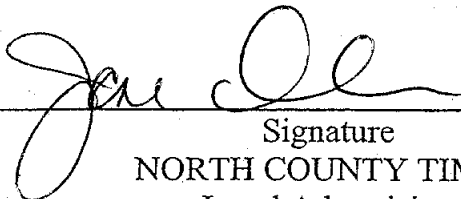
Formerly known as the Blade-Citizen and The Times-Advocate and which newspapers have been adjudicated newspapers of general circulation by the Superior Court of the County of San Diego, State of California, for the City of Oceanside and the City of Escondido, Court Decree number 171349, for the County of San Diego, that the notice of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

July 18, 2004

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at SAN MARCOS, California

This 19 Day of July, 2004


Signature
NORTH COUNTY TIMES
Legal Advertising

This space is for the County Clerk's Filing Stamp

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

2004 AUG -4 PM 4:46

THOMAS J PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

Proof of Publication of

**NOTICE OF INTENTION TO AMEND CONFLICT OF
INTEREST CODE FOR RAINBOW
MUNICIPAL WATER DISTRICT**

NOTICE IS HEREBY GIVE that Rainbow Municipal Water District has tentatively approved and intends to finally adopt an amendment to its Conflict of Interest Code pursuant to Government Code Section 87300 at its meeting of the Board of Directors on July 15, 2004. The purpose of the amendment is to reflect changes in the Government Code with respect to designated officials and to incorporate by reference the Model Code of the Fair Political Practices Commission, including all future amendments thereto.

Pursuant to Government Code sections 87200 and 87302, the Code will designate public officials, employees and consultants of Rainbow Municipal Water District who make governmental decisions, manage Rainbow Municipal Water District's investments, and who, therefore, must disclose certain investments, interests in real property, sources of income and business positions, and disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A public comment period has been established commencing on July 16, 2004 and terminating on August 30, 2004. Any interested person may present written comments concerning the proposed code no later than August 30, 2004 to the Rainbow Municipal Water District representative at the address listed below. No public hearing on this matter will be held unless any interested person or his or her representative requests a public hearing no later than 15 days prior to the close of the written comment period.

The exact terms of the proposed amendment to the Conflict of Interest Code, and all of the information upon which the Code is based, are available for inspection and copying by interested person by contact Rainbow Municipal Water District representative at the address listed below. Rainbow Municipal Water District had prepared a written explanation of the reasons for the designations and the disclosures/responsibilities and has available all of the information upon which its proposed Conflict of Interest Code is based. Any general inquiries concerning the proposed Code should be directed to the Rainbow Municipal Water District representative listed below.

Greg Ensminger
General Manager
Rainbow Municipal Water District
3707 Old Highway 395, Fallbrook, CA 92028
760-728-1178
760-728-2575
NCT 1669186 • July 18, 2004